

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	
WINTER MORATORIUM EXTENSION	DOCKET NO. SPU-2020-0003

**ORDER PHASING IN DISCONNECTION OF UTILITY SERVICE AND MODIFYING
MARCH 27, 2020 ORDER**

PROCEDURAL BACKGROUND

On March 13, 2020, the Utilities Board (Board) issued an order extending the winter moratorium for eligible electric and natural gas customers from April 1, 2020, to May 1, 2020. The extension prevented disconnection of eligible electric and natural gas customers in all 99 counties until after May 1, 2020. On March 27, 2020, the Board issued an “Order Regarding Disconnection of Electric, Natural Gas, and Water Utility Customers” in which the Board prohibited all municipal electric and natural gas utilities, electric cooperatives, and investor-owned electric, natural gas, and water utilities from disconnecting customers through the duration of the public health emergency as determined by Governor Kim Reynolds. The Board also strongly encouraged and requested all other water utilities not regulated by the Board, including rural water associations, to suspend disconnections of customers through the duration of the public health emergency as determined by the Governor.

On April 27, 2020, the Governor issued a proclamation that permitted the limited reopening of certain businesses in 77 counties in Iowa. In the 22 remaining counties,

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the Governor retained the restriction for social distancing and business closures, including prohibiting disconnection of utility service. In the April 27, 2020 proclamation, the Governor extended until May 15, 2020, the statewide restrictions on businesses not subject to the May 1, 2020 easing of restrictions. The April 27, 2020 proclamation will end on May 27, 2020. On May 6, 2020, the Governor further eased restrictions in all 99 counties effective on May 8, 2020.

REQUIREMENTS FOR DISCONNECTION OF CUSTOMERS

Pursuant to the Board's March 27, 2020 order, municipal electric and natural gas utilities, electric cooperatives, and investor-owned electric, natural gas, and water utilities were prohibited from disconnection of service until the end of the emergency health proclamation that is to end May 27, 2020, at 11.59 p.m. In the order, water utilities not subject to the Board's jurisdiction were encouraged to not disconnect customers during the same time period. An extension of the emergency health proclamation would extend the time when disconnections were prohibited.

In light of the easing of restrictions on business activities, the Board is modifying the March 27, 2020 order by establishing conditions and requirements that need to be met before disconnections are allowed to begin on May 28, 2020. All electric and natural gas service provided by a municipally owned utility or an electric cooperative may resume disconnection of gas or electric service on or after May 28, 2020, subject to the conditions and requirements in this order. Investor-owned utilities may resume

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disconnection of natural gas, electric, and water service on or after July 1, 2020, subject to the conditions and requirements in this order.

In order to initiate the process of disconnection, a utility must first complete the customer notifications as required by the Board's rules. This means that the utility must have sent the customer a bill for utility service, the customer has not paid the bill within the 20 days allowed by Board rules, the utility has sent the 12-day disconnection notice required by Board rules, and the utility is prepared to disconnect the customer once the utility is no longer prohibited from disconnecting customers.

The additional conditions and requirements in this order provide a phase-in of disconnections and give the customer the time to contact a community action agency or other organization for available assistance if needed. In addition, the phase-in will allow customers who have been affected by the COVID-19 pandemic and who may not be familiar with the Board's disconnection process time to seek financial assistance or to enter into a payment agreement with the utility.

Municipal electric and natural gas utilities and electric cooperatives are allowed to disconnect customers on or after May 28, 2020, in compliance with the conditions and requirements set out in Ordering Clauses 2 through 4. Investor-owned electric, natural gas, and water utilities may begin disconnection of customers on or after July 1, 2020, subject to the conditions and requirements in Ordering Clauses 2 through 4. For customers who become subject to disconnection on or after May 28, 2020, or on or

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after July 1, 2020, the utility is only required to follow the disconnection procedures in Board's rules.

The Board understands that Iowa-American Water Company (IAW) will not begin disconnecting customers until the number of positive tests for the virus has plateaued. IAW recognizes the importance of water as part of the requirements for preventing the spread of the virus. Other municipal water utilities, which are not subject to the Board's jurisdiction, have developed similar policies that will allow customers to continue to have water service. The Board applauds the policies adopted by these water utilities and encourages other water utilities not regulated by the Board to adopt similar policies as part of the measures adopted to prevent the spread of the virus.

MidAmerican Energy Company and Interstate Power and Light Company have filed plans with the Board that establish procedures for delaying disconnections consistent with this order. The Board is reviewing those plans and will address the proposals in future orders.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The March 27, 2020 "Order Regarding Disconnection of Electric, Natural Gas, and Water Utility Customers" is modified by this order.
2. Municipal electric and natural gas utilities and electric cooperatives allowed to disconnect customers on or after May 28, 2020, shall comply with the following requirements before a utility may disconnect a customer:

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(a) The utility has sent a bill to the customer and the customer has not paid within the 20 days allowed by Board rules in 199 Iowa Administrative Code (IAC) 19.4 and 20.4. The utility has sent a 12-day disconnection notice to the customer as required by 199 IAC 19.4(15)(d)(2) and 20.4(15)(d)(2). The customer is scheduled to be disconnected, except that the Board's March 27, 2020 order prohibited the disconnection of customers.

(b) The utility shall send a seven-day disconnection notice to each customer prior to disconnection of the customer. The seven-day notice may be sent prior to May 28, 2020.

(c) The utility shall contact the customer, either by telephone or door hanger, 48 hours in advance of disconnection. The telephone contact shall be to a person in the residence and not to machine voice messaging system. The 48-hour contact may be made before May 28, 2020.

3. The utility shall postpone disconnection of service for 30 days if disconnection would present a serious danger to the health of a permanent resident at the premises, as required in 199 IAC 19.4(15)(d)(8) and 20.4(15)(d)(9). The utility may request verification of the health condition. Utilities are encouraged to accept verbal statements for requests based upon COVID-19 related health conditions. Extensions of the 30-day postponement shall be provided if the permanent resident is under quarantine for COVID-19 at the end of the 30-day period.

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4. Utilities shall offer payment agreements to those customers eligible for payment agreements pursuant to the Board's rules in 199 IAC 19.4 and 20.4. Payment agreements are required to be for at least 12 months; however, utilities should apply the reasonableness standard in 199 IAC 19.4(11)(b) and 20.4(11)(b) in determining whether a longer payment agreement is appropriate for a customer.

5. Disconnection of customers by investor-owned utilities is subject to the disconnection conditions and requirements set out in Ordering Clauses 2 through 4.

6. An investor-owned utility may decide to waive all or some portion of a customer's past-due amount, or enter into additional payment agreements beyond those required by Utilities Board rules for the past-due amount. If an investor-owned utility waives a portion of a customer's past-due bill, the utility may include those amounts in a regulatory asset account established pursuant to Board order in Docket Nos. ARU-2020-0150, ARU-2020-0156, ARU-2020-0123, ARU-2020-0222, and ARU-2020-0225 issued on May 1, 2020.

UTILITIES BOARD

Geri Huser Date: 2020.05.19
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Nick Wagner Date: 2020.05.20
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ATTEST:

Anna Hyatt Date: 2020.05.20
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Dated at Des Moines, Iowa, this 20th day of May, 2020.